

ORIGINAL



0000095808

RECEIVED

Greater Tucson Coalition for Solar Energy

2003 DEC 11 P 12:26

P.O. Box 42708 Tucson, AZ 85733

Tel/ Fax: (520) 326-3195 Email: vajra@vecat-inc.com

AZ CORP COMMISSION
DOCUMENT CONTROL

Coalition Partners

- The City of Tucson
- Town of Marana
- Tucson Unified School District
- Pima Community College
- University of Arizona
- Community of Civano
- Armory Park Del Sol
- John Wesley Miller Companies
- Progressive Solar
- The Solar Store
- Expert Solar Systems
- American Solar Electric
- SolarBuilt
- Primavera Builders
- Dreambuilders
- BTB Solutions
- Larry Medlin Architects
- Venture Catalyst Inc.

December 9, 2003

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

DEC 11 2003

DOCKETED BY

GAH

RE: **Docket No. RE-00000C-00-0377**
Comments on Chairman Spitzer's Proposal and Commissioner Mundell's
Letter on Renewable Energy and Energy Efficiency

The Greater Tucson Coalition for Solar Energy ("GTCSE"), a public-private partnership dedicated to the deployment of solar energy technologies since 1997, would like to present the following comments on renewable energy and energy efficiency, in response to the proposals distributed by Chairman Spitzer and Commissioner Mundell at the Open Meeting on October 6, 2003. The proposals outlined three changes:

- return system benefits charges to energy efficiency,
- increase the EPS surcharge funding for renewable energy by raising the caps on the surcharge
- remove multipliers for all new projects

GTCSE thanks the Commissioners for their leadership and appreciates the opportunity to make the following comments.

1. Increase the renewable energy percentage in the existing EPS rule to 1.1% by 2007. Increasing the percentage to 1.1% would continue support for renewable energy. Regulatory certainty is essential for the solar market and industry to move forward with projects and programs dependent upon Commission rules and level of support. This continuous flow of projects is what will incrementally strengthen the market for solar energy devices.

2. Implement an additional Renewable Portfolio Standard of 15-20%. An EPS of 15-20% is attainable, although it would need to include the full range of renewable energy options, as well as solar energy. There are large amounts of renewable energy resources available in Arizona, and many of these renewable resources, such as wind energy and landfill gas, are cost effective (or nearly so) compared to conventional generation. *An expanding market and awareness of all renewable energy options strengthens the market for solar energy.* Market growth is dependent on many people making renewable energy choices, even if each choice is a modest one. Awareness and options are critical to this occurring.

Arizona is currently positioned to be a renewable energy leader. We could lose our edge. Other states in the region are committing to levels of renewable energy much higher than 1.1%, e.g.: New Mexico, 10% by 2011; Nevada, 15% by 2013; and California, 20% by 2017. An increase in the current Arizona standard would assure our competitiveness.

3. Pursue cost-effective energy efficiency opportunities. Implement an energy savings goal, with adequate funding to achieve the goal. Energy efficiency strategies are key to effective use of solar energy in the market place. Energy efficiency is a fiscally conservative first step in positively transforming our regional energy market and it is catalytic for the development of solar energy markets.

When compared to central generation and transmission, energy efficiency is more cost effective, cleaner, more distributed with no need for transmission or distribution, more diverse, less risky in terms of market and fuel price volatility, and less subject to security risks and interruptions – and it does not consume scarce resources or harm the environment. Savings can be achieved at costs of \$.02 per lifetime kWh saved, much less than the cost of conventional generation, transmission, and distribution. GTCSE suggests that the Commission consider the 1% per year energy savings goal proposed by the Southwest Energy Efficiency Project (SWEET) and provide adequate funding to achieve the goal.

Thank you for your leadership on clean energy policies and programs in Arizona, and for the opportunity to submit these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Valerie Rauluk". The signature is fluid and cursive, with a large initial "V".

Valerie Rauluk, Director

Greater Tucson Coalition for Solar Energy